

MINUTES OF REGULAR MEETING
SUGAR CITY COUNCIL
THURSDAY, DECEMBER 13, 2012

Presiding: Mayor Glenn W. Dalling
Meeting Convened at 6:30 p.m.
Prayer: Lamont Merrill
Pledge of Allegiance

Present: Mayor Dalling; Sharon L. Bell, Clerk; Marcie A. Smith, Treasurer; Councilmembers Bruce King, Lamont Merrill, Vaun Waddell and Burch Drake; Dana Izatt of Searle Hart & Associates PLLC; and Clair Boyle of Madison Economic Partners, Inc.

The mayor asked if there were any corrections to the minutes of the regular meeting held on November 8, 2012. Each councilmember had a copy of said minutes prior to the meeting. It was moved by Councilmember Drake and seconded by Councilmember Waddell to accept said minutes; motion carried.

Marcie presented the November reconciliation reports for the General Fund. It was moved by Councilmember Waddell and seconded by Councilmember Merrill to accept the November reconciliation reports for the General fund; motion carried. Marcie presented the November reconciliation reports for the Utility Fund. It was moved by Councilmember Merrill and seconded by Councilmember Waddell to accept the November reconciliation reports for the Utility Fund; motion carried.

Marcie presented the current bills in the amount of \$95,920.45. It was moved by Councilmember Waddell and seconded by Councilmember Drake to pay the current bills, together with all regular December bills that have not yet been received; motion carried.

AUDIT REPORT – DANA IZATT: Dana Izatt of Searle Hart & Associates PLLC addressed the council, explaining both the Independent Auditors' Report of his audit of Sugar City's financial records and its Management Report for the fiscal year ended September 30, 2012. Discussion was had. Mr. Izatt reported that the city is in good financial shape. Treasurer Marcie A. Smith was complimented by the council for a remarkable job on her books.

MOTION: It was moved by Councilmember Merrill and seconded by Councilmember King to accept the audit of Searle Hart & Associates PLLC as reported on December 13, 2012; motion carried.

SPEAKERPHONE INTERVIEW WITH HOLLIE WYLIE – UNISON SITE

MANAGEMENT: The mayor reported that he had discussed the proposed Unison Site Management Agreement with Attorney Forsberg, who wasn't sure if city property could be leased for as long as 40 years. No one knows what the future is for cell sites. The mayor called Hollie Wylie and told her that the council needed to discuss this further before any decision was

made. Ms. Wylie said the city could have three more months to decide.

BUSINESS PARK MARKETING – CLAIR BOYLE: Clair Boyle handed out a list of the proposed prices for Business Park lots. Location steered the pricing of the lots. This project was done to create jobs and property taxes, not to be a moneymaker selling lots. There are a couple of other business parks in the area that we are competing with and they have dropped their prices (DePatco and St. Anthony Business Parks). The Business Park has been listed with Sally Smith of Century 21 Real Estate, which will give us a bigger market. She will get 3% of each sale. Mr. Boyle will call Sally and find out what another agent in her office will get paid if they were to sell a lot. Discussion was put off until he gets answers. He also requested that the city give him negotiating price range authority.

MOTION: It was moved by Councilmember Waddell and seconded by Councilmember Drake for the City to execute its part of the Seller Representation Agreement with Century 21 for the Business Park to appoint Clair Boyle a consultant, according to the attached agreement (see "Attachment 1"), and to empower the mayor or the president of the city council to represent the city relative to any real estate offer; motion carried.

ACCOUNT FOR BUSINESS PARK: The mayor said the city set up an account for the Business Park with the \$18,000 from the sale of the Sofa Source lot. Bills for the Business Park are being paid from it.

MOTION: It was moved by Councilmember Merrill and seconded by Councilmember Waddell to approve the action that has been taken in setting up an account for the Sugar City Business Park and authorizing the disbursement of funds with a dual signature by the mayor of Sugar City and the executive director of the Development Company; motion carried.

BUSINESS PARK SIGN: Clair Boyle reported that the city didn't get \$5,000 for the Business Park sign; only \$2,500 was given. The city received a \$1,500 grant from Rocky Mountain Power. We are looking at doing a two-sided sign and maybe have it done by an Eagle Scout project, providing there was a rock mason involved. Mr. Boyle said we could get Signature Sign Company to give us a bid on a two-sided sign. We have received two bids for the Business Park sign for around \$7,400. The mayor expressed thanks to Clair Boyle for his work on the Business Park.

UTILITY BILLS FOR PUBLIC BUILDINGS: Treasurer Marcie A. Smith reported that the bill for the fire department is approximately \$900. Her recommendation is to bill them for a ¾" meter base fee and charge them for their usage. She proposed that we tell them we are going to charge them for sewer and have them wash their trucks outside and to fill their tanks at the fire hydrant outside.

MOTION: It was moved by Councilmember King and seconded by Councilmember Waddell to charge the Madison County Fire Department a ¾" water meter base fee, water usage, sewer and garbage fees starting January 1, 2013, and to forgive the past due amount; motion carried.

SCOUT DONATION FOR PUTTING UP FLAGS: Marcie reported that the city has been paying scout troops for putting up flags along Center Street for four years. The first two years they were paid \$300, and then for the last two years they were paid \$500. Discussion was had.

MOTION: It was moved by Councilmember King and seconded by Councilmember

Drake to authorize expenditure of up to \$500 a year to local scout troops for installation of U.S. flags along Center Street for six standard holidays and as requested for the annual Pioneer Breakfast and Teton Dam Marathon; motion carried.

SALT LAKE EXPRESS SEWER HOOKUP: The mayor reported that Salt Lake Express had requested to get hooked up to the city sewer. He turned it over to Dick Dyer who sent a memo and a sewer evaluation to the mayor dated December 6, 2012. Dick is favorable to letting Salt Lake Express hook onto the sewer system for environmental concerns. The mayor and Mr. Dyer will work out details for the sewer connection.

AGREEMENT WITH TIM AND JODI RARICK: City Clerk Sharon L. Bell reported that Mr. and Mrs. Rarick refused to sign the agreement relating to future owners of the property. Attorney Forsberg revised the agreement and removed that language. Mrs. Rarick signed the agreement today. She will have Mr. Rarick sign it and return it to Sharon, at which time their \$200 will be refunded.

MOTION: It was moved by Councilmember Waddell and seconded by Councilmember Merrill to approve the mayor's signing of the agreement with Tim and Jodi Rarick as prepared by the attorney; motion carried.

ROCKY MOUNTAIN ENVIRONMENTAL REPORT (Water Right for Development

Projects: The mayor discussed a letter he received from Bryce Contor regarding the measuring device they installed at the Parkinson gravel pit. Data gathered confirmed the great potential of this site to mitigate for new city groundwater rights moving forward. Preliminary data from this fall indicate a capacity of at least two to two and one-half acre-feet per day placed in the gravel pit for recharge. Over the course of a summer, this could perhaps justify water rights for the irrigation of an additional 150 to 200 acres of parks, lawns and landscaping. Councilmember Merrill said it appears that we can recharge the aquifer with surface water.

UTILITY COLLECTION ORDINANCE: Marcie reported on discrepancies in the city code on utility billing and what the city is actually doing. She presented a handout of a few pages of code, along with her concerns, and comments in red and asked that the council review them. Our ordinance needs to be updated.

DEPARTMENT REPORTS:

COUNCILMEMBER KING:

Animal ordinance: Bruce said he and Vaun would work on the ordinance.

Web site feedback: The latest feedback was from a woman in Utah who asked about the history of mayors in Sugar City. Sharon sent her the information she requested. The lady requested that this information be put on the Web site. If the city would like to add a history to the Web site, Bruce would add it.

Searchable minutes in pdf files: Bruce thought it would be a nice addition to our Web site if posted pdf minutes were searchable and selectable. Bruce will look into it.

COUNCILMEMBER MERRILL: No report.

COUNCILMEMBER WADDELL: No report.

COUNCILMEMBER DRAKE: No report.

MAYOR'S BUSINESS:

Toscano storage water: The mayor reported that Toscano hasn't paid for the storage water for over two years. At the end of three years, Fremont-Madison Irrigation District can take the water and sell it to someone else.

MOTION: It was moved by Councilmember Waddell and seconded by Councilmember King to authorize payment of Toscano's storage water assessment; motion carried.

MOTION REGARDING ATTACHING WATER RIGHTS TO ANNEXED PROPERTY: It was moved by Councilmember King and seconded by Councilmember Waddell to authorize the mayor to contact Attorney Bill Forsberg on the idea of attaching water rights to annexed property; motion carried.

Recreation District – suggestion for Sugar representative: The mayor reported that a recreation district is being created. They asked for a suggestion for a representative from Sugar City to be on the county committee. They are trying to provide a better environment for the youth of the county. The council came up with a few suggestions for the representative from Sugar City. The mayor said that although it is in the early stages of development, we want Sugar City to be involved.

Moody Creek water line: The mayor reported that the water line is almost in. They had to wait to get more pipe. There is still a problem with the sewer. It would cost about \$10,000 to go under the road and hook into the Teton line or to follow the new water line and hook into the Teton line. It is really expensive.

Brief review of water meetings: The mayor attended water meetings Tuesday and Thursday in Idaho Falls and Pocatello. He reported that the Idaho Department of Water Resources has officially approved the concept of recharging the aquifer. The drawback is, it costs money.

Possible cancellation of December 27 meeting:

MOTION: It was moved by Councilmember Merrill and seconded by Councilmember King to cancel the December 27 council meeting; motion carried.

Meeting adjourned at 9:40 p.m.

Signed: _____
Glenn W. Dalling, Mayor

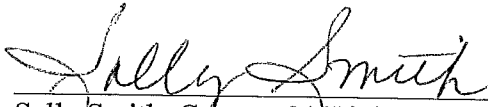
Attested: _____
Sharon L. Bell, Clerk

December 14, 2012

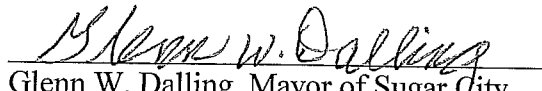
To Whom it May Concern:

RE: Sugar City Business Park listing with Century 21 High Desert

The Business Park is listed at 6% commission. If Sally Smith, listing agent, is the selling agent on any lot, the total commission to Century 21 will be 3%. If another agency is the selling agent, the commission will be 3% to that agency and 3% to Century 21. If Clair Boyle sells any one lot, he may receive a consultant fee.


Sally Smith, Century 21 High Desert


Clair D. Boyle, Consultant


Glenn W. Dalling, Mayor of Sugar City